



House Bill 6659, An Act Concerning the State Budget for the Biennium Ending June 30, 2025 and Making Appropriations Therefor

Appropriations Committee

March 1, 2022

Home Care Association of America Connecticut represents more than one hundred home care agencies that employ thousands of caregivers who provide essential, quality and affordable in-home care to seniors, veterans and persons with disabilities across the state. To ensure quality care, HCAOA Connecticut advocates for employer-based agencies that screen, employ, train and supervise caregivers; create a plan of care for the client; and work toward a safe and secure environment for the person at home. HCAOA Connecticut supports industry standards that improve the delivery of in-home care to clients. HCAOA members provide essential home care services to many seniors and others participating in Department of Social Services Medicaid waiver programs, such as the Connecticut Medical Assistance Program and the Connecticut Home Care Program for Elders.

HCAOA Connecticut supports additional funding in the state budget for human services programs to DSS to adequately reimburse and support home care agencies participating in Medicaid programs. Adequate reimbursement would help agencies maintain current services and keep pace with ever-increasing costs. Sufficient funding is necessary to help offset recent cost increases for agencies, including minimum wage, extraordinary expenses occasioned by the COVID-19 pandemic, transportation and inflation. Home care providers merely seek reimbursement rates that would help protect the state's most vulnerable citizens while adequately and fairly reimbursing providers for their services.

Recent rate increases have only partly offset increasing costs to deliver home care. The funding was neither proportionate to mandated wage increases nor adequate to support ongoing services. Given the economic challenges created by inflation and the pandemic and by increases in minimum wage, many providers have been forced to close their agencies and others may close as well, putting clients at risk and increasing costs for the state.

Several factors support an increase in Medicaid reimbursement, including:

- Recent increases in minimum wage from \$10.10 to \$14 per hour.
- Corresponding reimbursement increases of only about 5.2 percent in 2022.

- A minimum wage increase to \$15 per hour scheduled for June 1, 2023, putting further pressure on home care providers.
- Wage increases, combined with increases in payroll, unemployment and workers' compensation insurance rates, transportation, implementation of Electronic Visit Verification and other costs, continues to make participation in the Medicaid programs fiscally unsustainable for many home care providers. (Recent increases in the price of essential goods and commodities are particularly burdensome for caregivers and providers.)

Home care agencies help fulfill an important public policy goal: caregivers provide essential support that enables elderly and disabled persons to live in their own homes longer and keeps them from being readmitted to the hospital or long-term care facilities, saving the state significant resources. They also meet a compassionate need: home is where most people want to be. During the public health emergency, supporting clients at home helped them avoid infection and allowed facilities to safely discharge recovering patients.

Providing home and community-based support during a crisis comes with a cost, which includes purchase and sanitization of personal protective equipment, unanticipated transportation to additional clients, and the need to recruit and hire caregivers to replace those exposed to the illness or on leave to care for family members. Those costs, necessary to caring for our vulnerable Medicaid clients, are a further strain on agencies already challenged by mandated wage increases.

By most objective measures, including cost and quality of life, aging at home is preferred to other living arrangements. For about half the per-client cost of institutional care, care in the home offers a cost-effective, high-quality alternative to institutional care. DSS estimates that the transition to home care currently saves the state nearly \$142 million a year.

By providing a necessary increase to home care providers participating in Medicaid programs, Connecticut would recognize the value of their services while helping to meet their needs as they strive to assist seniors and individuals with disabilities during the COVID-19 pandemic.

Please contact Mario D'Aquila, Chair of HCAOA Connecticut DSS Medicaid committee, (833) 634-8668, with any questions or visit www.hcaoa.org for additional information about Home Care Association of America.